

Exhibit A

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

BEFORE THE HONORABLE EDWARD M. CHEN

ASETEK DANMARK A/S,)	
)	
Plaintiff,)	
)	
vs.)	No. C 19-0410 EMC
)	
COOLIT SYSTEMS, INC.,)	
)	San Francisco, California
Defendant.)	Thursday
)	November 21, 2019
)	1:30 p.m.

TRANSCRIPT OF PROCEEDINGS

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P R O C E E D I N G S

November 21, 2019

2:13 p.m.

THE CLERK: Calling Civil 19-410, Asetek Danmark as
versus CoolIT Systems, Incorporated.

Counsel, please approach the podium and state your
appearances for the record.

MS. BHATTACHARYYA: Good afternoon, Your Honor.
Arpita Bhattacharyya for plaintiff Asetek Danmark A/S.

And with me is Mr. Robert McCauley also for Asetek.

THE COURT: Great. Welcome. Thank you.

MR. CHEN: Good afternoon, Your Honor. Reuben Chen
for defendant and counter-claimant CoolIT from Cooly, LLP.

And with me are my colleagues Deepa Kannappan and Lam
Nguyen.

THE COURT: Welcome, everyone.

Let's talk about the estoppel on the 330 and CoolIT's 330
first.

Is there pending a case before the Federal Circuit on this
question about scope of estoppel, whether it applies to
non-petitioned ground or earlier instituted?

MR. CHEN: I'm not aware of any case, Your Honor.

MS. BHATTACHARYYA: I'm not aware of any case either.

THE COURT: So you're not expecting any late-breaking
story in this area?

MR. CHEN: Unfortunately, no.

1 **THE COURT:** Well, I understand that there is some
2 division here on the question about the scope of estoppel,
3 including post *Shaw*.

4 But I guess the question -- maybe it's kind of a policy
5 question -- is why shouldn't estoppel apply to grounds that
6 were available or reasonably available, but not asserted?

7 **MS. BHATTACHARYYA:** Your Honor, Asetek is only
8 applying the case law from this district. Specifically, the
9 *Finjan* case, which held that non-petitioned grounds are not
10 estopped.

11 And the *Finjan* case, along with the *Intellectual Ventures*
12 case from Delaware and the *Phillips* case from Massachusetts,
13 they base their estoppel decision on the Federal Circuit's
14 decision in *Shaw Industries*, which held that the IPR begins
15 with the institution.

16 So if a ground was not petitioned, it could not reasonably
17 have been raised during the *inter partes* review. That is,
18 after institution.

19 So that's the basis for those Court's decision that
20 estoppel shouldn't extend to non-petitioned grounds.

21 **THE COURT:** So it's the word "during," that is the
22 key.

23 **MS. BHATTACHARYYA:** It's the word "during," yes.

24 And, Your Honor, the Supreme Court's *SAS Institute*
25 decision did not overrule *Shaw* on that point, that *inter partes*

1 review begins with the institution.

2 **THE COURT:** And yet numerous Courts have said,
3 notwithstanding *Shaw*, that the estoppel applies to
4 non-petitioned grounds, and one could see at least what the
5 policy basis would be is to make sure that, you know, they
6 don't do things piecemeal. They're not sort of gaming the
7 system, that we get everything out.

8 So what do we do with that?

9 **MS. BHATTACHARYYA:** Your Honor, I -- I'm not going to
10 argue with Your Honor on the policy questions. It does make
11 sense to estop non-petitioned grounds.

12 As I had just mentioned before, Asetek is following the
13 case law from this district. And if Your Honor believes that
14 *Finjan* is still good law notwithstanding the *SAS Institute*
15 decision from the Supreme Court, then Your Honor should deny
16 CoolIT's motion.

17 But if Your Honor decides that the *Finjan* case is not good
18 law, then the grounds that CoolIT moves to strike should be
19 stricken.

20 **MR. CHEN:** Yes, Your Honor. So we obviously agree
21 that for policy reasons, including judicial efficiency and
22 fairness, that there should be estoppel here.

23 Now, point of clarification. Post *SAS* there have been no
24 District Courts or Federal Circuit ruling that comes out in
25 favor of the prior minority view that is the decision in

1 *Finjan*, Your Honor.

2 And we think that the *SAS* case, Your Honor clarified a
3 point about the *Shaw* decision that was actually not part of the
4 *Shaw* holding. *Shaw* only dealt with petitioned non-instituted
5 grounds.

6 *Shaw* specifically did not confront the issue of
7 non-petitioned grounds and the *SAS* decision essentially focused
8 on the petition as setting forth the scope of the IPR. And we
9 think that -- that that is correct here; that the petition
10 should govern the scope of IPR estoppel.

11 So with respect to prior art references that were raised
12 or reasonably could have been raised prior to the filing of the
13 IPR petition, there should be estoppel.

14 **THE COURT:** Well, and even prior to *SAS* the number of
15 District Courts post *Shaw* found estoppel applicable to
16 non-petitioned grounds.

17 **MR. CHEN:** That is correct, Your Honor.

18 **THE COURT:** And that position is strengthened because
19 of -- sort of by implication or by the sort of general take of
20 the Supreme Court with respect to the significance of the
21 petition?

22 **MR. CHEN:** That's correct, Your Honor. Yes. It was
23 the majority of district courts post *Shaw* that found that there
24 should be broader estoppel applied to IPRs, and then post *SAS*
25 there have been no district court decisions that have adopted

1 the prior minority view.

2 **THE COURT:** Are there cases post -- district court
3 cases post *SAS* in the last year that looked at this question
4 specifically?

5 **MR. CHEN:** Yes. Yes, Your Honor. Those cases we've
6 cited in our brief, and are *Trustees of Columbia University*
7 *versus Symantec* 390 F. Supp. 3d 665, Page 679, Eastern District
8 of Virginia, July 2nd, 2019.

9 There is also a *SiOnyx versus Hamamatsu Photonics* case,
10 330 F. Supp. 3d 574 at Page 602, District of Massachusetts,
11 2018.

12 And there is also a Central District of California case,
13 which is California Institute of Technology versus BroadCom,
14 case number C.V. 16-3714, 2018 Westlaw 7456042, Central
15 District of California, December 28, 2018.

16 **THE COURT:** Are you aware of any cases to the
17 contrary?

18 **MS. BHATTACHARYYA:** No, your Honor. I agree with
19 CoolIT's' counsel, that there has been a few cases following
20 the *SAS Institute* decision that have extended estoppel to
21 non-petitioned grounds.

22 **THE COURT:** All right. Thank you.

23 Well, let's talk about the merits. And assuming -- I
24 don't know if there is a question raised or not about the sort
25 of diligence, the skilled search or conducting a diligent

1 search reasonably would have expected to discover standard. I
2 mean, it seems non-controversial.

3 And in this case there was actual knowledge. There are
4 three prior arts in here, Hamilton, Chang and Anderson?

5 **MS. BHATTACHARYYA:** Yes, Your Honor.

6 **THE COURT:** And Asetek had actual knowledge of
7 Hamilton?

8 **MS. BHATTACHARYYA:** Yes, Your Honor.

9 **THE COURT:** And as to the -- why shouldn't -- what
10 about the other?

11 **MS. BHATTACHARYYA:** Your Honor, Asetek is not
12 contending that those references would not have been found
13 through a diligent search.

14 Asetek concedes that if a diligent search had been
15 conducted, those references should have been found.

16 **THE COURT:** All right. You have no comments on that?

17 **MR. CHEN:** Not really. We obviously submitted a
18 declaration from a skilled searcher and it's -- it's an
19 un rebutted declaration at this point.

20 **THE COURT:** All right. Well, let's talk about the
21 other side, the '764. There are three references here, right,
22 Ryu, Yu and Lin?

23 **MR. CHEN:** Correct, Your Honor.

24 **THE COURT:** And --

25 **MR. CHEN:** Actually, four references, excuse me.

1 There's Ryu, Lin, Yu and also a Shin reference.

2 **THE COURT:** All right, Shin.

3 So things are a little bit more complicated because these
4 are foreign untranslated patents --

5 **MR. CHEN:** Correct.

6 **THE COURT:** And I know there is some
7 back-and-forth about which databases are typically used, could
8 have been used or were used to find these, but why don't you
9 respond to the -- Dr. Basi? Is that right?

10 **MR. CHEN:** Yes, your Honor.

11 **MS. BHATTACHARYYA:** Yes, Your Honor.

12 **THE COURT:** Saying that using, is it Questel database
13 and using the relevant terms and information taken from the
14 '764, he is able to identify the Ryu, Yu and Lin patents. And
15 then Questel is a well-known database and you've got -- now
16 you've got machine translation to take care of some of the
17 language issues.

18 What's wrong with that?

19 **MR. CHEN:** Right. So there are actually several
20 things wrong with that.

21 So first of all, Dr. Basi's declaration was only submitted
22 in reply and not as part of Asetek's opening brief. We think
23 it's improper that that was submitted in reply.

24 But even considering Dr. Basi's declaration, we think it
25 does not satisfy Asetek's burden for three reasons.

1 First of all, Dr. Basi fails to opine that the four
2 foreign prior art references could have been found in 2012, or
3 at least prior to the filing of the *inter partes*
4 reexaminations.

5 He basically does not include any date associated with his
6 opinions, including whether or not these machine translations
7 were available back in 2012.

8 The second thing --

9 **THE COURT:** Is there some indication to the contrary
10 that would suggest that things were different in 2012 compared
11 to --

12 **MR. CHEN:** I think it's unclear, Your Honor, but what
13 I can say is that CoolIT performed a diligent search and the
14 attorney that was in charge of *inter partes* reexamination hired
15 a reputable search firm, TPR, to conduct that diligent search.
16 The diligent search standard doesn't require a scorch the earth
17 search. It's diligence. And that does not mean that every
18 single database needs to be searched.

19 And here the SAC database that the Patent Office uses was,
20 in fact, searched. And other databases, including the Thomson
21 MicroPatent database, which includes Japanese and WIPO patent
22 documents was, in fact, searched, but those four prior art
23 references were not returned for the '764 patent.

24 The Shin reference was returned for a separate -- for a
25 separate patent. And we're not asserting that grounds based on

1 Shin with respect to Claims 1 to 18 should be allowed to move
2 forward in the case.

3 **THE COURT:** Not asserting that.

4 **MR. CHEN:** That's correct. Solely based on Shin and
5 the other references that CoolIT was aware of or reasonably
6 could have been aware of prior to the *inter partes*'
7 re-examination filing.

8 **THE COURT:** Well, I'm wondering whether because
9 the -- Dr. Basi raised -- his declaration was not asserted
10 until the reply, that in the interests of completion,
11 thoroughness and fairness, that your client be given a chance
12 to respond to specifically the question of whether or not this
13 is something that you would expect within the bounds of a
14 reasonable diligent search.

15 Because he says that Questel is well known and it provides
16 text coverage. It does not -- true, it does not say what was
17 the state in 2012, which may be an issue.

18 But you haven't had a chance to counter that to say well,
19 it's not so standard. It's not so available, or in 2012 we
20 didn't have machine translation and, therefore, the search
21 would not have easily yielded these three prior sources.

22 So at the risk of prolonging things, yet this is kind of
23 important that we resolve these things earlier than later, so
24 is there -- what are your thoughts about --

25 **MR. CHEN:** So my thoughts on that are, of course, if

1 Your Honor would like that, we're amenable to that, but we
2 think that plaintiff has the burden and has failed to satisfy
3 their burden here. And, in particular, I think this actually
4 cuts to the chase.

5 The statutory language -- we think that Asetek has failed
6 to satisfy their burden under the statutory language, the
7 express language of the statute as further confirmed by the
8 legislative history. And in particular, if we look at
9 Section 315(c), pre-AIA, and we look at the legislative
10 history, including the Senate record at S14720 and H11805, and
11 these are cited in our reply -- sorry, these are cited in our
12 briefs. I also have copies of them with me. If I may approach
13 and hand these?

14 (Whereupon documents were tendered to the Court.)

15 **THE COURT:** You are looking at the language of the
16 pre-AIA?

17 **MR. CHEN:** Right. Because this applies to the
18 *inter partes* reexamination, which is what was filed by CoolIT.

19 It's very clear, the statutory language has the statement
20 that there should be estoppel:

21 "...on any claim finally determined to be valid
22 and patentable on any ground which the third-party
23 requester raised or could have raised during the
24 *inter partes* reexamination proceedings."

25 And then it goes on to say:

1 "This subsection does not prevent the assertion
2 of invalidity based on newly discovered prior art
3 unavailable to the third-party requester and the
4 Patent and Trademark Office at the time of the
5 *inter partes* reexamination proceeding."

6 And then when we look at the Congressional record, both
7 the Senate record at S14720 and the House record at H11805 make
8 it very clear that:

9 "There is estoppel with respect to any ground
10 that the third-party requester raised or could have
11 raised during the *inter partes* reexamination.

12 However, the third-party requester may assert
13 invalidity based on newly discovered prior art
14 unavailable at the time of the reexamination."

15 And then both the Senate and House go on to clarify what
16 the word "unavailable" means.

17 "Prior art was unavailable at the time of the
18 *inter partes* reexamination if it was not known to the
19 individuals who are involved in the reexamination
20 proceeding on behalf of the third-party requester and
21 the USPTO."

22 Here, the PTO, without a doubt, did not have the four
23 prior art references until, of course, CoolIT made it aware of
24 the Shin reference and made it aware of the Ryu reference,
25 trying to get those references in after the *inter partes*

1 reexamination was already granted.

2 And here plaintiff has not satisfied its burden of showing
3 that CoolIT did not -- sorry, that CoolIT knew of these four
4 references prior to filing the *inter partes* reexamination.

5 Now, of course, again, with the exception of Shin, which
6 as I've already stated was located in a different search for a
7 different patent.

8 **THE COURT:** That would sort of completely blow any
9 notion of diligence or reasonable diligence, because either you
10 knew it or you didn't. If you knew it, then the question is
11 whether you raised it or could have raised. If you didn't know
12 it, no matter how undiligent you were, that becomes
13 dispositive.

14 **MR. CHEN:** Correct.

15 **THE COURT:** And the question is, is that -- and I
16 understand that you've got one piece here of statutory
17 interpretation, which is the -- I guess this is the conference
18 report?

19 **MR. CHEN:** The Congressional record of both the
20 Senate and the House, that's correct.

21 **THE COURT:** This is the language that comes from
22 which -- I'm trying to figure out what is this language from?
23 Is this a conference report?

24 **MR. CHEN:** Yeah. House conference report and, also,
25 a Senate conference report as well.

1 **THE COURT:** All right. Well, we all know that that
2 is one tool of interpretation.

3 **MR. CHEN:** Correct.

4 **THE COURT:** There are others, but what's your
5 response to this? This is pretty explicit. It's in the
6 legislative history.

7 **MS. BHATTACHARYYA:** Yes, Your Honor. But no courts
8 have applied a subjective knowledge standard. And even if the
9 standard were to apply, CoolIT has not provided any
10 declarations from the attorneys who were involved in preparing
11 and filing the *inter partes* reexam request.

12 So some CoolIT's counsel, who had prepared the reexam,
13 Your Honor, he's still involved in managing CoolIT's patent
14 portfolio. He's still involved in some ongoing IPRs.

15 CoolIT had the opportunity to provide declarations from
16 that attorney who had prepared and filed the *inter partes*
17 reexam, and there is no declaration in the record showing that
18 he subjectively was unaware of these references.

19 Plus, as Your Honor has pointed out, subjective
20 unavailability or actual knowledge standard just doesn't -- we
21 cannot reconcile that with the diligence search standard.

22 And if actual knowledge were the standard, then patent
23 challengers can just remain willfully blind to a whole category
24 of prior art. And if the *inter partes* reexam doesn't go their
25 way, they can then raise it in the district court. That cannot

1 be the standard.

2 Yes, I agree that the Congressional record says that, but
3 no courts have applied that.

4 And, in fact, CoolIT, ignoring the Federal Circuit
5 decision in *In Re Affinity Labs of Texas*, and very specifically
6 says that:

7 "Pre-AIA Section 315(c) prohibits a challenge to
8 a patent claim which has been finally determined to be
9 valid in an *inter partes* proceeding."

10 CoolIT is ignoring all the existing case law for an
11 *inter partes* reexam and --

12 **THE COURT:** What does that case say that is contrary
13 to the actual knowledge?

14 **MS. BHATTACHARYYA:** It's not saying anything
15 contrary, but it has interpreted Section 315(c) and says that
16 that statute does -- estoppel statute prohibits a challenge to
17 a patent claim that has been finally determined to be valid in
18 an IPR proceeding.

19 So once a claim is found to be valid, all challenges to
20 that claim is prohibited in district court.

21 That is the Federal Circuit saying that. The Federal
22 Circuit has not created any caveat for an actual knowledge
23 standard or even a diligent search standard.

24 It specifically, categorically says that if a claim is
25 found to be valid after an *inter partes* reexam, then the same

1 requester is prohibited from bringing a challenge to that claim
2 in district court.

3 So what CoolIT is trying to do here is ignore all the
4 *inter partes* reexam case law and borrow case law from
5 *inter partes* review proceedings, but *inter partes* reexam and
6 *inter partes* review are different proceedings that are -- that
7 are governed by different statute, different administrative
8 law.

9 There is no reason to even bring the diligent search
10 standard from *inter partes* review into *inter partes* reexam.
11 The language of these two statutes are very different.

12 *Inter partes* reexam says that estoppel extends to any
13 grounds that could have been raised. Whereas, *inter partes*
14 review says estoppel extends to grounds that reasonably could
15 have been raised.

16 **THE COURT:** What about the fact that this language
17 about this subsection does not prevent the assertion of newly
18 discovered invalidity based on newly discovered prior art
19 unavailable to the requester and to the PTO at the time of the
20 reexamination. Whereas, the new post AIA 315(e)(2) doesn't
21 seem to have that language.

22 **MS. BHATTACHARYYA:** It does not have that language,
23 Your Honor.

24 Your Honor, the *Polaris Industries case v BRP* case from
25 the District of Minnesota, which we have cited in our opening

1 brief, ties this unavailability standard to access, whether the
2 requester had access to the reference in concern.

3 By "access" it means whether they could have found it
4 if -- if they had looked. It's not whether they knew about it
5 or not, whether they had access to it.

6 And here CoolIT definitely had access to databases that
7 carry machine translated references of foreign patent
8 documents.

9 **THE COURT:** Is there anything in the legislative
10 history in the AIA regarding this -- this other change in
11 language?

12 People focus on the "reasonably" language, but what about
13 the "unavailability," the deletion or omission of the
14 "unavailability" language in the post AIA Section 315(e)(2)?
15 Is there any legislative history of that?

16 **MS. BHATTACHARYYA:** There is nothing in the
17 legislative history of the AIA statute. Although there is a
18 statement from Senator Kyl that suggests that the pre-AIA
19 estoppel statute, that is the estoppel statute for reexam,
20 requires scorched earth search, as compared to a diligent
21 search.

22 And, Your Honor, I just wanted to point out that
23 Dr. Basi's declaration, which is at Docket 57-1, does state
24 that the Questel database which is routinely used in prior art
25 searches was available at least since 2012.

1 So there is evidence in the record from Dr. Basi that the
2 Questel database, which has machine translations of foreign
3 documents, was available at least since 2012.

4 **THE COURT:** All right. What's your response to the
5 procedural question that this was not raised until the reply
6 and, therefore, CoolIT has not had a chance to counter that
7 affidavit?

8 **MS. BHATTACHARYYA:** Yes. Your Honor, our position is
9 that the diligent search search standard only applies to *inter*
10 *partes* review. It does not extend to *inter partes* reexams.
11 There is no case law, not even in the Congressional history,
12 that says that a diligent search standard should apply to *inter*
13 *partes* reexam.

14 CoolIT is borrowing this case law, this test from
15 *inter partes* review. And once they did that in their
16 responsive brief, we responded with our own declaration showing
17 that what -- that CoolIT's declaration is deficient and -- and
18 Dr. Basi's declaration has shown that the full references at
19 issue could have been found had CoolIT done a more
20 comprehensive search that encompassed foreign databases, that
21 encompassed foreign references.

22 Your Honor, CoolIT deliberately skimmed on its search and
23 just looked at U.S. patents and published applications. Now,
24 CoolIT tries to paint its prior art search as an international
25 search, but the declaration from CoolIT's prior art searcher,

1 Ms. Kelly Bowman, does not support that.

2 Ms. Bowman had never said in her declaration that the
3 search was international.

4 To the contrary, Your Honor, she says that the -- for
5 patent literature TPR primarily use the United States east
6 database, which, Your Honor, only carries English translations
7 of abstracts. It does not show -- it does not carry
8 translations of -- of the full documents, which is available in
9 databases like Questel.

10 And as Dr. Basi said, if you just look at abstracts, that
11 search is not comprehensive. That search will not cover all
12 relevant databases.

13 Ms. Bowman goes on to say that her search or her firm's
14 search focused on the following U.S. patent classification
15 classes and subclasses, and then she lists five classes. So
16 Ms. Bowman in her declaration never says that she had conducted
17 an international search. She specifically says that she
18 focused on only U.S. patents and applications. She never
19 looked in any foreign databases. She does not provide any
20 search strings, any key words or anything that refers to any
21 foreign searches. CoolIT willfully remained blind to foreign
22 references and now it wants to bring in these foreign
23 references.

24 And, Your Honor, I just want to point out that similarly
25 situated defendants have found these references. So in the

1 *Asetek v CMI* case, CMI found and asserted the Ryu reference
2 against the '764 patent.

3 In the *Asetek v AVC* case, AVC found the Ryu reference and
4 asserted it against the '764 patent.

5 And CoolIT has already admitted that they found the Shin
6 reference two weeks before filing the *inter partes* reexam, but
7 chose not to use it.

8 As to the Lin reference goes, Your Honor, CoolIT has not
9 provided any information as to when they became aware of the
10 Lin reference. Presumably they became aware of the Lin
11 reference in 2019 before they served the invalidity
12 contentions. And CoolIT has not identified any difficulty or
13 barrier that would have produced a different search result in
14 2019 as compared to 2012.

15 In a similar -- in similar circumstances, Your Honor,
16 according to Southern District of California in the *WI-LAN v LG*
17 case has said that the -- the fact defendant LG found a
18 reference at issue goes to show -- it is clear evidence that
19 had defendant conducted a diligent search previously, they
20 could have raised the reference in the *inter partes* review.

21 **THE COURT:** Let me ask: Is it accurate that
22 Dr. Bowman -- there is no claim that Dr. Bowman examined any
23 databases that specialized in international patent
24 publications.

25 **MR. CHEN:** The Thomson database includes both

1 Japanese documents as well as WIPO documents, Your Honor.

2 **THE COURT:** All right. But including -- I don't know
3 what --

4 **MR. CHEN:** And a Japanese reference was actually
5 returned, which is included in her declaration.

6 **THE COURT:** But other than that, there was no
7 systematic query into a database that specialized or that
8 focused on international patent publications?

9 **MR. CHEN:** Other than the Thomson database, I don't
10 believe there was a -- any additional searches of international
11 databases. But that's not to say that the search was not
12 diligent, given the amount that was at stake in the prior case
13 and just the facts of the case. A diligent search is not a
14 search of every single database that's out there, we propose
15 anyways.

16 If I can address a few of the points?

17 **THE COURT:** Briefly.

18 **MR. CHEN:** Briefly, okay. So with respect to the
19 timing of Dr. Basi's declaration, in the opening brief that
20 Asetek filed on Page 6 they mention Senator Kyl's testimony
21 during the Congressional hearings on the AIA. And specifically
22 during those hearings, Senator Kyl stated that the prior 315(c)
23 could be interpreted as either -- you know, reasonably could
24 have raised standard or could be interpreted as a
25 scorched-earth standard. And he wanted to make it clear that

1 under the AIA that it's not going to fall under this
2 scorched-earth standard.

3 So plaintiff was clearly aware that there was a diligent
4 search for standard out there and could have submitted the Basi
5 declaration in the opening declaration, but failed to do that.

6 With respect to *Affinity Labs*, Your Honor, the federal
7 circuit case does not at all address the "could have raised"
8 language. And it definitely does not address the express
9 exception of whether or not a reference was unavailable to a
10 third-party requester and the Patent Office.

11 And there, frankly, is just a derth of case law with
12 respect to estoppel on *inter partes* reexamination versus IPR
13 estoppel. There are no cases that have adopted the
14 scorched-earth approach, none at all.

15 And there is just silence on this, which means that the
16 statute, the language of the statute, the express language of
17 the statute with the express exception with the Congressional
18 history should control.

19 **MS. BHATTACHARYYA:** Your Honor may I respond --

20 **MR. CHEN:** And then -- sorry.

21 **THE COURT:** Let him finish.

22 **MR. CHEN:** Then with respect to *Cooler Master* and
23 *AVC*, these other defendants in other cases being able to find
24 these references, those are actually both Taiwanese companies'
25 employees that can read and write Mandarin. I know because I

1 represent Cooler Master.

2 **THE COURT:** All right. I'll give you one thing to
3 say and I'm going to conclude.

4 **MS. BHATTACHARYYA:** Sure. Your Honor, CoolIT has no
5 evidence that the Shin, Lin, Yu and Ryu references were not
6 unavailable. As Asetek's prior art searcher Dr. Basi has
7 shown, that even in 2012 --

8 **THE COURT:** Well, it depends on how you construe
9 "unavailable." They construe it in a different way.

10 **MS. BHATTACHARYYA:** Yes, Your Honor. Our position is
11 that a subjective knowledge standard should not apply
12 because --

13 **THE COURT:** Right. It's unavailable as an objective
14 matter. It existed out there. Then the only question is what
15 level of diligence is required.

16 **MS. BHATTACHARYYA:** Yes, Your Honor. So Ms. Bowman
17 has one sentence that says that she looked at Thomson
18 MicroPatent. And CoolIT's counsel just said that Thomson
19 MicroPatent has -- has -- carries some Japanese prior art.

20 The Japanese prior art at issue here is Shin, Your Honor,
21 and Shin was available to CoolIT. CoolIT admits that two weeks
22 prior to filing their *inter partes* reexam request. So they
23 could have raised Shin in the *inter partes* reexam. They chose
24 not to do so. So Shin should not be under consideration here.

25 And as to the Lin, Ryu and Yu references go, there is no

1 evidence in the record that Ms. Bowman even looked in any
2 database that covered Taiwanese, Chinese or Korean references.

3 And, Your Honor, particularly in the electronics art, as
4 Mister -- Dr. Basi has testified, patent challengers routinely
5 even do native language searches because the countries like
6 Korea, Taiwan, China here, they are known for their prominence
7 in high tech and the associated intellectual property
8 development. So patent challengers routinely do native
9 language searches. And here CoolIT did not even look in
10 databases that have machine translations, yet alone do native
11 language searches.

12 Your Honor, they deliberately turned a blind eye to
13 foreign references and focused primarily on U.S. references.
14 That under any standard cannot be considered diligent. If that
15 kind of search is considered diligent, then patent challengers
16 can just willfully remain blind to foreign references.

17 And there cannot be a different standard for if a
18 defendant is from China, then they should be -- you know,
19 provide Chinese references. The standard should be uniform for
20 all defendants.

21 And most defendants, particularly in the electronics art,
22 do look for references in Asian countries because, as I said,
23 of the prominence of high tech industries there.

24 **THE COURT:** All right. Here is what we're going to
25 do. I've got to move on.

1 **MS. BHATTACHARYYA:** Yes, Your Honor.

2 **THE COURT:** I'm going to allow CoolIT to file a reply
3 in the form of either a declaration or something very specific
4 key to the Basi declaration. Not any new arguments. Try to
5 supplement, you know, what it did in a factual way.

6 But to be fair, if there is something about Dr. Basi's
7 declaration -- for instance, saying that Questel database is a
8 well-known patent search database, et cetera, et cetera,
9 et cetera. If there is something to rebut that or counter that
10 or impeach that kind of testimony, I will allow that.

11 So it's like cross examination. Scope is going to be
12 limited to this surrebuttal, which I'm allowing, to be limited
13 to the scope of the declaration that was introduced on reply by
14 Dr. Basi. I'd like to have that filed in a week.

15 **MR. CHEN:** Thank you, Your Honor.

16 **THE COURT:** And then I'll take it under submission at
17 that point. Okay.

18 **MR. CHEN:** Thank you.

19 **MS. BHATTACHARYYA:** Thank you.

20 **MR. CHEN:** Oh, it's Thanksgiving next week, Your
21 Honor.

22 **THE COURT:** That's true. That is true. I forgot. I
23 don't want to force you to work on Friday, but I imagine a lot
24 of -- I would like to get something sooner rather than later.
25 What do you propose?

1 **MR. CHEN:** Could it be two weeks, Your Honor? Is
2 that fair given the, a lot of people are going to be out next
3 week and in case we need --

4 **THE COURT:** Let's say by Tuesday of next week, it
5 gives you a couple extra days. Tuesday.

6 **MR. CHEN:** Okay. Thank you.

7 **THE COURT:** By 3:00 o'clock. 3:00 o'clock Tuesday.

8 **MR. CHEN:** Thank you.

9 **MR. McCAULEY:** Your Honor, Rob McCauley. I'm
10 assuming the Court doesn't need a case management conference or
11 status conference. We can wait, if you'd like to.

12 **THE COURT:** Well, let me ask. I don't know what I
13 did with the case management statement. In terms of timing, I
14 forget whether you have made mention. I always ask a question
15 about ADR, whether there is any kind of ADR plan on the
16 horizon.

17 **MR. McCAULEY:** Yes, there is. With Magistrate Judge
18 Kim, Your Honor.

19 **MR. CHEN:** On the 19th.

20 **THE COURT:** 19th? Well, that's good. Do you need
21 anything before then or any kind of guidance or anything else
22 before you embark on that?

23 **MR. CHEN:** I don't think so, Your Honor.

24 **THE COURT:** Other than resolve this motion.

25 **MR. McCAULEY:** That would help.

1 **THE COURT:** Well, what I would like to do is maybe we
2 should schedule shortly a -- not too long after you have that
3 settlement conference with Judge Kim, to come back and then set
4 dates, depending on what happens in that proceeding. And if it
5 looks like the case is not headed towards some kind of
6 resolution, then we can set dates --

7 **MR. CHEN:** That sounds --

8 **THE COURT:** -- through claim construction and --
9 sorry. I don't have it with me. I left it back in chambers.
10 Did you propose a schedule? I can't remember now.

11 **MR. CHEN:** Yes. We have a schedule for claim
12 construction.

13 **THE COURT:** Does that take into account the
14 settlement conference?

15 **MR. CHEN:** It does, I believe, yes.

16 **THE COURT:** Pretty much?

17 **MR. CHEN:** We have opening briefs due on
18 January 10th.

19 **THE COURT:** All right. And you stipulated to that?

20 **MR. McCAULEY:** Yes.

21 **THE COURT:** You agree?

22 All right. Then in all likelihood I'll adopt that, and
23 we'll get out a scheduling order. I'll look at that one more
24 time and make sure there is no tweaking we have to do.

25 But if you've already thought that through and the timing

1 vis-a-vis any settlement conference, then I'm inclined to adopt
2 that.

3 **MR. McCAULEY:** I think it's already been ordered,
4 Your Honor.

5 **THE COURT:** Did I?

6 **MR. CHEN:** Yes. Yes, Your Honor.

7 **THE COURT:** Oh, well, then --

8 **MR. McCAULEY:** I don't think the Court needs to do
9 anything, which is why I came up here, in an abundance of
10 caution.

11 **THE COURT:** I got ahead of myself then. Good. I'm
12 glad I did what I did.

13 All right. Well, then let's -- when do you think would be
14 an appropriate time to come back here for status check then?
15 Do we need one prior to --

16 **MR. CHEN:** *Markman*? I don't think so.

17 **THE COURT:** If you don't, then I won't drag you back
18 here. If there is something in the interim you think might be
19 useful, I can.

20 But we set *Markman* for -- what's the date?

21 **MR. McCAULEY:** It's in February. I don't remember
22 the exact date.

23 **THE COURT:** That's close enough where unless there is
24 something urgent that comes up, I'll just -- we'll see you at
25 the *Markman* hearing.

1 **MR. McCAULEY:** Thank you, Your Honor.

2 **MR. CHEN:** Thank you, Your Honor.

3 **THE COURT:** Great. Thank you.

4 (Proceedings adjourned.)

CERTIFICATE OF OFFICIAL REPORTER

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

Debra L. Pas, CSR 11916, CRR, RMR, RPR

Sunday, December 1, 2019